



Overview

Investment of State of Nevada General Portfolio funds is a function performed by the State Treasurer, who, by the provisions of State statute, has adopted guidelines for the prudent investment of these funds. The General Portfolio encompasses governmental, proprietary, and fiduciary funds of the State. Investment objectives include safety of principal, portfolio liquidity, and market return, which are consistent with a conservative, moderate duration portfolio of securities.

Investment Guidelines

The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, municipal bonds, and banker's acceptances. These securities are diversified to prevent over-concentration in a specific maturity, a specific issuer, or a specific class of securities. The targeted duration of the portfolio is one and a half years, with no single security extending longer than ten years.

The State Treasurer maintains a conservative, moderately active investment strategy. Cash flow forecasts are prepared to identify operating cash requirements that can be reasonably anticipated. In order to maintain sufficient liquidity, a portion of the portfolio is structured so that securities mature concurrent with cash needs in the short- and medium-term. Monies deemed to have a longer investment horizon are invested to take advantage of longer-term market opportunities.

Performance

As of September 30, 2015, the General Portfolio yield was .461% and the blended benchmark was .373%. The duration of the portfolio was .93 years or 340 days.

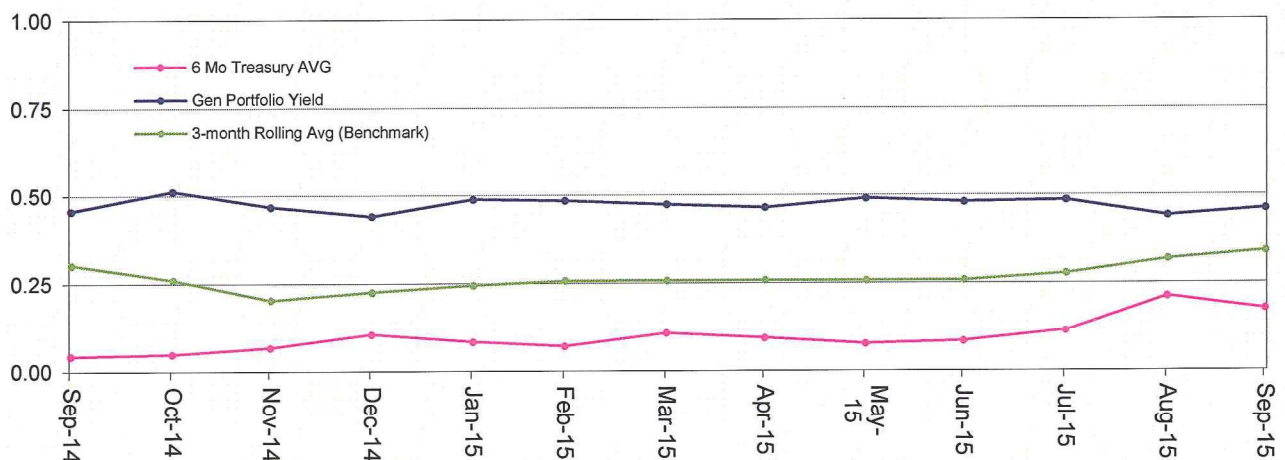
Market Conditions

GDP is estimated to have increased at an annual rate of 1.5 percent in the quarter ending September 30, 2015. Economic data continued to be mostly positive during the quarter. Improvements in the economy can be attributed to job growth and labor productivity, stable increases in wages/earnings and low inflation. The housing sector with manufacturing and consumer spending were the weaker sectors.

Interest rates on the 2-year T-Note have been in the range of .60%-.74% for the quarter, and the 10-year T-Note has been in the range of 2.01%-2.44%. The Fed chose to continue their zero-interest rate policy through the quarter.

Fed officials held the benchmark overnight federal funds rate in a zero to .25% range, where it has been since December 2008. The uncertainty over when the Fed will increase rates, the strength of the U.S. dollar, and overseas economic conditions have all contributed to market volatility.

ROLLING 3-MONTH WEIGHTED AVG VS. GENERAL PORTFOLIO YIELD

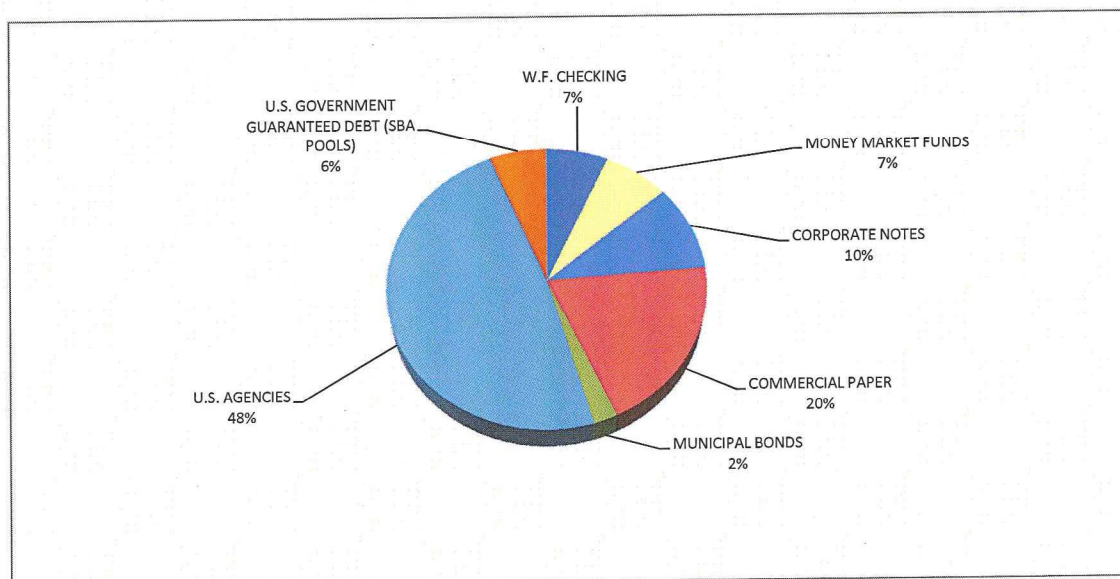


Administration

The State Treasurer has adopted an Investment Policy relating specifically to the General Portfolio. The State Board of Finance shall review and approve or disapprove the policies established by the State Treasurer for investment of money of the State at least every four months. The State Treasurer hereby confirms all General Portfolio investments are in compliance with the Terror-Free Investment Policy and the Divestiture Policy. The General Portfolio may be audited at any time, either internally or externally. A copy of the detailed investment portfolio holdings is available upon request or at the State Treasurer's website at: <https://nevadatreasurer.gov/StatePortfolios.htm>.

GENERAL PORTFOLIO
Amortized Book Value and Purchased Interest

	<u>September 30, 2015</u>		<u>June 30, 2015</u>	
	<u>Amortized Book</u>	<u>Purchased Interest</u>	<u>Amortized Book</u>	<u>Purchased Interest</u>
WASHINGTON FEDERAL CHECKING ACCT.	\$ 100,086,347		\$ 100,036,796	
TIME CERTIFICATES OF DEPOSIT	0		10,000,000	
NEGOTIABLE CERTIFICATES OF DEPOSIT	0		10,000,000	
MONEY MARKET FUNDS	106,449,086		141,662,501	
ASSET-BACKED SECURITIES	0		0	
MORTGAGE-BACKED SECURITIES	0		0	
CORPORATE NOTES	149,111,508		222,845,578	209,558
COMMERCIAL PAPER	293,963,859		287,532,192	
MUNICIPAL BONDS	35,037,751		37,314,462	
U.S. TREASURIES	0		6,998,362	
U.S. AGENCIES	724,919,437	118,297	859,774,928	78
U.S. GOVERNMENT GUARANTEED DEBT	91,924,777		97,645,240	
TOTAL	\$ 1,501,492,764	\$ 118,297	\$ 1,773,810,060	\$ 209,635
GRAND TOTAL	\$ 1,501,611,061	\$ 118,297	\$ 1,774,019,695	\$ 209,635



YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

	<u>September 30, 2015</u>		<u>September 30, 2014</u>	
TOTAL PORTFOLIO	\$	1,501,611,061	\$	1,670,207,313

State of Nevada
Office of the State Treasurer
Schedule of General Fund Interest Revenue

	Quarter Ended 09/30/2015	Quarter Ended 12/31/2015	Quarter Ended 03/31/2016	Quarter Ended 06/30/2016	FY 2016 YTD Totals
<u>Average Daily Balances of Funds</u>					
General Fund	202,068,616				
All Funds	1,835,489,269				
<u>Annualized Interest Rate (prior to Lehman Loss Adjustment)</u>					
Cash Basis (see Note 1)	0.4070%				
Accrual Basis	0.3442%				
<u>Interest Distribution for General Fund (Cash Basis)</u>					
General Fund Interest Collected	209,702				
General Fund Interest Revenue - Distributed	209,702				
Undistributed General Fund Interest Revenue	0				
<u>Interest Distribution for All Funds (Cash Basis)</u>					
All Funds Interest Collected	1,908,926				
All Funds Interest Revenue - Distributed	1,908,926				

Note 1 Interest is distributed to statutorily approved funds and budget accounts based on the cash basis of accounting. Under the cash basis of accounting, earnings are distributed in the quarter received but not necessarily in the quarter they were earned. Therefore, some of the receipts included in the Actual General Fund interest collected line were actually earned in the prior period and some of the earnings included in the General Fund interest revenue - accrual basis line will not be collected until a subsequent period.



Overview

The State of Nevada Local Government Investment Pool (LGIP) was established as an alternative investment program to be utilized by local governments for their public funds. This program's operation is the responsibility of the State Treasurer who, by the provisions of state statute, has adopted guidelines for the prudent investment of these pooled funds. Any local government, as defined by NRS 354.474, may deposit its public monies into this fund for purposes of investment. As of September 30, 2015, there were 87 members of the LGIP, which includes cities, counties, school districts, and various special districts. The LGIP's foremost investment objectives include safety of principal, portfolio liquidity, and market return, which are consistent with a conservative, short duration portfolio.

Investment Guidelines

The permissible investments of the LGIP include United States Treasury and Agency securities, repurchase agreements, high quality commercial paper, negotiable certificates of deposit, municipal bonds and banker's acceptances. These securities are diversified to prevent over-concentration in a specific maturity, a specific issuer, or a specific class of securities. The average maturity of the portfolio must not exceed 150 days, and no single security may be longer than two years.

The State Treasurer maintains a conservative investment strategy, which incorporates the matching of maturing securities to the cash needs of the participants. Approximately 10% of the fund matures on a daily basis, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals. Additionally, at least 50% of the fund will mature within 90 days. This requirement minimizes the risk that the market value of portfolio holdings will fall significantly due to adverse changes in general interest rates.

Performance

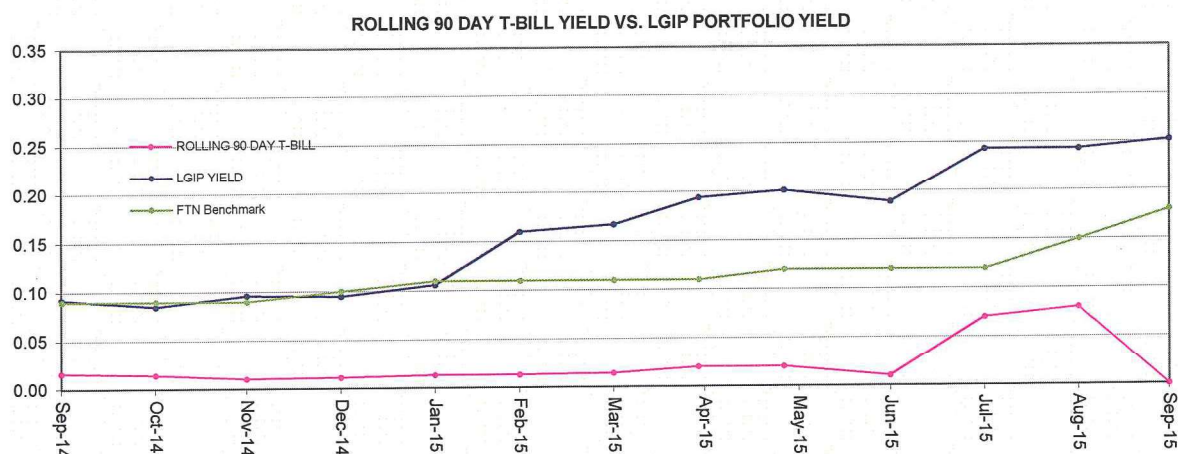
As of September 30, 2015 the LGIP's portfolio yield was .252%, and the blended benchmark was .18%. The duration of the LGIP portfolio was 126 days. The yield improvements of this portfolio has resulted in the City of Las Vegas joining the pool with others showing similar interest in joining.

Market Conditions

GDP is estimated to have increased at an annual rate of 1.5 percent in the quarter ending September 30, 2015. Economic data continued to be mostly positive during the quarter. Improvements in the economy can be attributed to job growth and labor productivity, stable increases in wages/earnings and low inflation. The housing sector with manufacturing and consumer spending were the weaker sectors.

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Fed officials held the benchmark overnight federal funds rate in a zero to .25% range, where it has been since December 2008. The uncertainty over when the Fed will increase rates, the strength of the U.S. dollar, and overseas economic conditions have all contributed to market volatility.



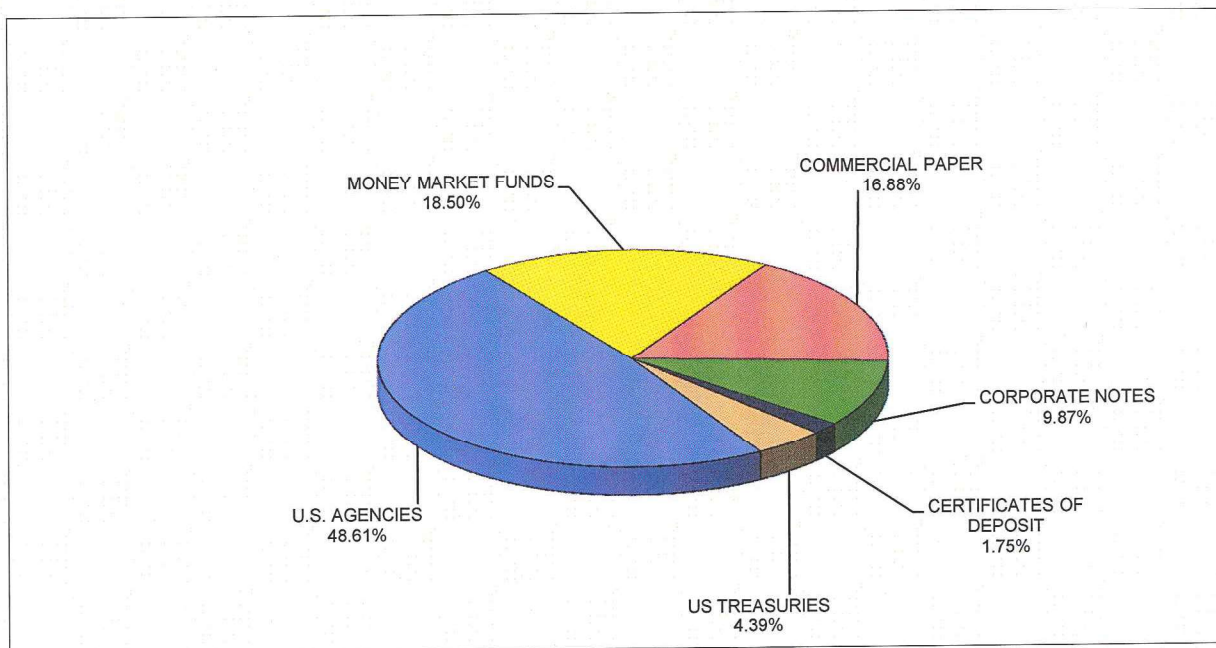
Administration

The State Treasurer has adopted an Investment Policy relating specifically to the LGIP. The State Board of Finance shall review and approve or disapprove the policies established by the State Treasurer for investment of money of the LGIP at least every four months. The State Treasurer hereby confirms all LGIP investments are in compliance with the Terror-Free Investment Policy and the Divestiture Policy. The State Treasurer may contract with an independent auditor to review LGIP transactions for accuracy and fairness in reporting. A copy of the detailed investment holdings report is available upon request or at the State Treasurer's website at: http://www.nevadatreasurer.gov/Finances/Investment/State_Portfolios/

LGIP PORTFOLIO

Amortized Book Value and Purchased Interest

	<u>September 30, 2015</u>		<u>June 30, 2015</u>	
	<u>Amortized Book</u>	<u>Purchased Interest</u>	<u>Amortized Book</u>	<u>Purchased Interest</u>
MONEY MARKET FUNDS	\$ 105,541,389		\$ 100,424,613	
COMMERCIAL PAPER	96,323,296		74,615,302	
CORPORATE NOTES	56,237,046	70,403	-	
CERTIFICATES OF DEPOSIT	10,000,000		15,000,000	
MUNICIPAL BONDS			-	
U.S. TREASURIES				
NOTES	25,026,430	21,009	-	
BILLS			-	
U.S. AGENCIES	277,338,846	16,289	216,910,861	24,285
TOTAL	\$ 570,467,007	\$ 107,701	\$ 406,950,776	\$ 24,285
GRAND TOTAL	\$ 570,574,708		\$406,975,061	



TOTAL INTEREST EARNED YTD FY 2016 THROUGH SEPTEMBER 30, 2015: \$ 281,008.33

YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON

September 30, 2015 September 30, 2014

TOTAL PORTFOLIO	\$570,574,708	\$470,641,138
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